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**Congress of the United States  
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**KYRSTEN SINEMA**  
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August 15, 2018

The Honorable Elaine Chao  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Ave., S.E.  
Washington, DC 20590

Dear Secretary Chao:

As Members of the Arizona Congressional delegation, we write regarding a critical deadline approaching for the Tempe Streetcar project in Tempe, Arizona.

For years, Valley Metro of Phoenix, Arizona has worked with the Federal Transit Administration (FTA) to advance this Small Starts project to the grant agreement phase under the Capital Investment Grant process, complying with all project deadlines and federal requirements. Earlier this year, Valley Metro submitted a Letter of No Prejudice (LONP) and Small Starts grant agreement for the Tempe Streetcar project to FTA to ensure the project remains on time and to avoid increased costs.

FTA previously approved two LONPs for the project: one for vehicle procurement and another for rail procurement, special track work, and rail welding. Given the previous approvals, Valley Metro moved forward with the project at its own risk. This third LONP will allow Valley Metro to move forward with initial construction activities and procure long lead items on the project.

Without a grant agreement or approved LONP, Valley Metro will lack the certainty needed to procure long lead items at more favorable negotiated rates. If the Federal Transit Administration does not approve the LONP and grant agreement by November 15, 2018, Valley Metro estimates the cost of the project will increase by \$10 to \$15 million on a total construction budget of \$95.1 million, placing the project in serious jeopardy and raising costs for Arizona taxpayers.

Valley Metro has made significant progress on this project. The Tempe Streetcar project received final environmental approvals in May 2018. The first Notice to Proceed was issued for utility work on June 1, 2017, which is approximately 60 percent complete and scheduled for completion in September 2018. At that time, the project will be ready for roadway widening and new streetcar infrastructure. Right-of-way acquisition is underway and scheduled for completion in December 2018. This ambitious timeline is contingent on continued funding and certainty from FTA.

The FY 2018 Omnibus Appropriations Act directs the Secretary to administer the Capital Investment Grant program in accordance with the requirements of Section 5309. Accordingly, as

the critical deadline of November 15, 2018 approaches, we urge FTA to provide a timely executed grant agreement and approve the pending LONP.

Thank you for your attention to this matter. Should you have questions or require additional information, please do not hesitate to contact us.

Sincerely,



Kyrsten Sinema  
Member of Congress



Paul A. Gosar, D.D.S.  
Member of Congress



Tom O'Halleran  
Member of Congress



David Schweikert  
Member of Congress



Raúl M. Grijalva  
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